
Public School Education



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NORFOLK PUBLIC SCHOOLS

MISSION STATEMENT

The mission of Norfolk Public Schools (NPS), the cornerstone of a proudly diverse community, is to ensure that all students maximize their academic potential, develop skills for lifelong learning, and are successful contributors to a global society, as distinguished by:

- Courageous advocacy for all students
- Family and community investment
- Data-driven personalized learning
- Strong and effective leadership teams
- Shared responsibility for teaching and learning
- Access to rigorous and rewarding college and career readiness opportunities

DIVISION OVERVIEW

NPS is the largest urban school division and the seventh largest division overall in the Commonwealth of Virginia. The division enrolls a racially and economically diverse population of approximately 32,000 students, supported by more than 4,600 employees in 55 facilities. The educational philosophy of the division is based on the belief that all children can achieve at high levels and that it is the responsibility of the staff and community to ensure each child reaches his or her highest potential.

NPS has a variety of programs to meet the needs of students. Programs within the traditional school setting include those for students with special needs, English as a Second Language, Title I, and Gifted Education. Auxiliary facilities house programs for students who need an alternate educational setting as well as opportunities for trade and technical education. There are full-day kindergarten programs in all elementary schools. There are two early childhood centers for three and four year old children and pre-kindergarten programs in all elementary schools.

LEGAL AUTHORIZATION

Pursuant to Virginia law, all school divisions are fiscally dependent on the local government. As a fiscally dependent school division, NPS does not levy taxes or issue debt. All funds are appropriated to Norfolk Public Schools by the Norfolk City Council, which has authority to tax and incur debt.

The School Board derives its authority from the Commonwealth and has the constitutional responsibility to provide public education to the residents of Norfolk.

SCHOOL FUNDING

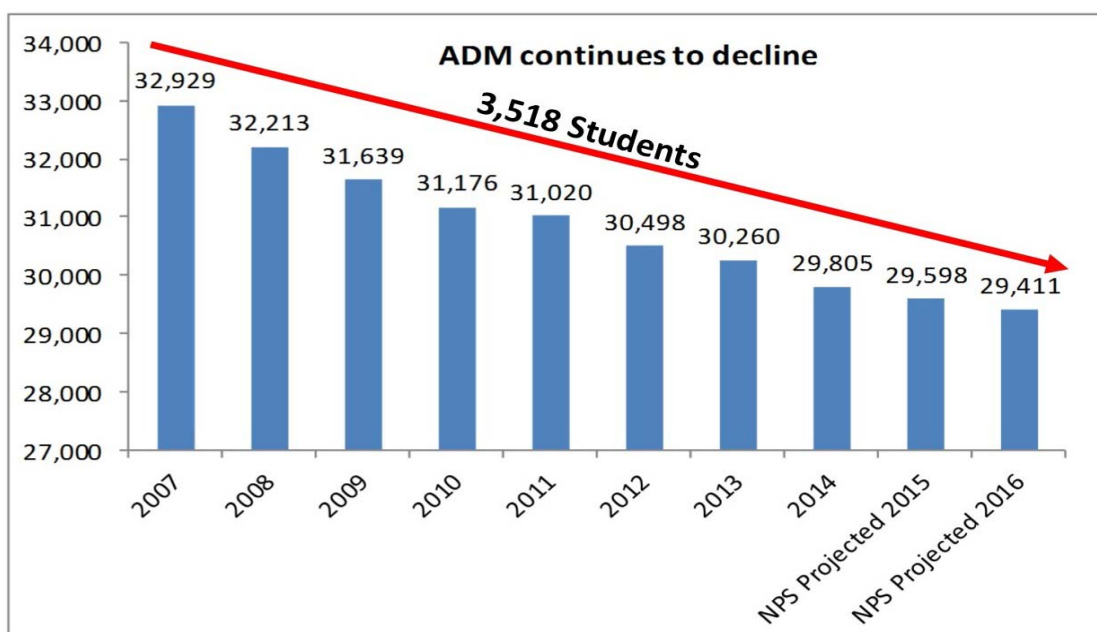
The division receives financial support from several sources:

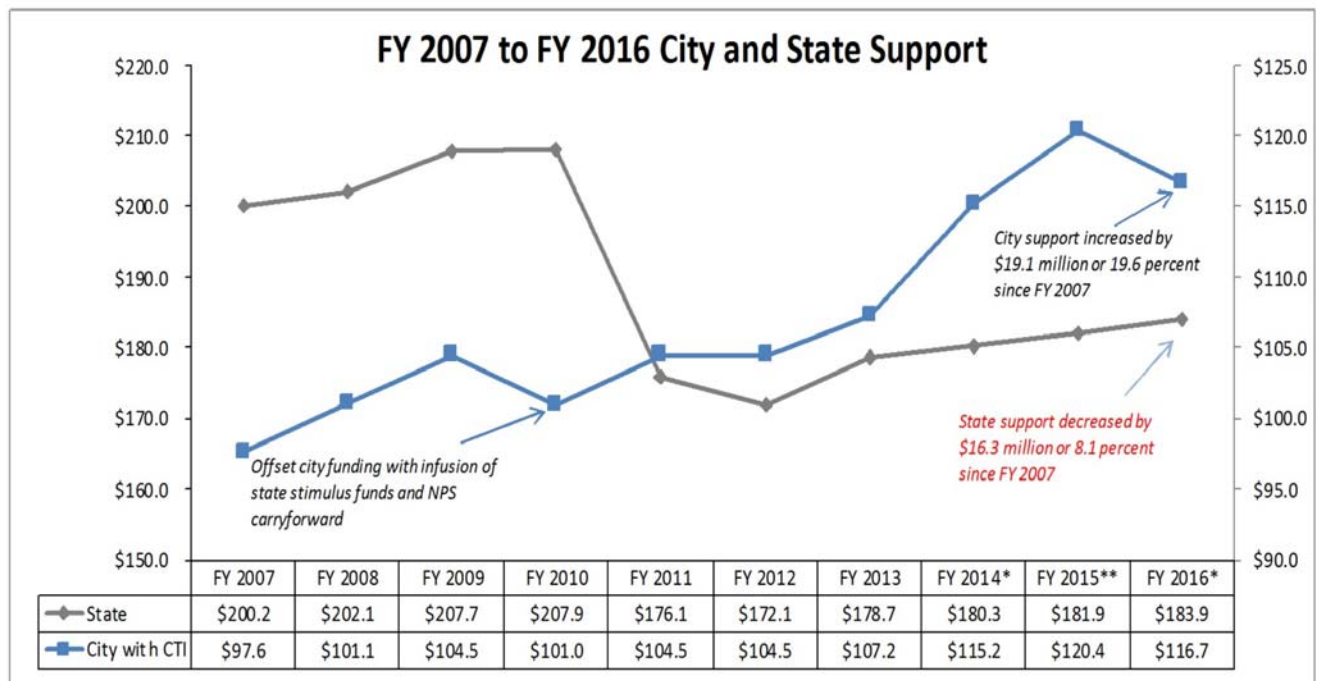
- Commonwealth of Virginia
- City of Norfolk
- Federal Government
- Local Fees and Revenues

Commonwealth of Virginia: Support for public schools is a shared cost between the Commonwealth of Virginia and localities. Article VIII, Section 2 of the Constitution of Virginia authorizes the General Assembly to determine the cost of education as prescribed by the Standards of Quality (SOQ) and to establish the cost share between state and local governments. Sales tax revenue is used to offset Basic Aid costs. In FY 2013, 1¹/₄ cent of the Commonwealth's 5-cent sales and use tax is dedicated to public school funding. In FY 2014, sales and use tax increased in Norfolk to 6-cents due to the statewide transportation bill, and of this 1³/₈ cent is dedicated to public school funding.

The Standards of Quality (SOQ) prescribe the minimum standards of education for public school divisions. The standards are established in the Constitution of Virginia and defined in the Code of Virginia. Only the State Board of Education and the General Assembly can alter the standards. SOQ rebenchmarking is completed every two years and coincides with the beginning of the Commonwealth's biennial budget cycle. SOQ accounts represent about 85 percent of the total state funding for direct aid to public education. Localities may choose to spend more than the required amounts at their own discretion. School divisions may offer additional programs and employ additional staff beyond what is required by the SOQ at their own discretion.

Average Daily Membership (ADM) is the student enrollment count that drives most state funds for public education. The ADM is reported to the Virginia Department of Education (VDOE) twice a year, a projection in the fall and a final ADM in the spring. ADM is determined by the total days in membership for all students over the school year divided by the number of school days school was in session. For FY 2016, NPS projects ADM to decline from 29,598 in FY 2015 to 29,411 in FY 2016, a decrease of 187 students. Since 2007, ADM has decreased by 3,518 students or 10.7 percent, while city support has increased. Pre-kindergarten is an optional program and not included in the ADM. As such, the numbers reflected do not include pre-kindergarten.



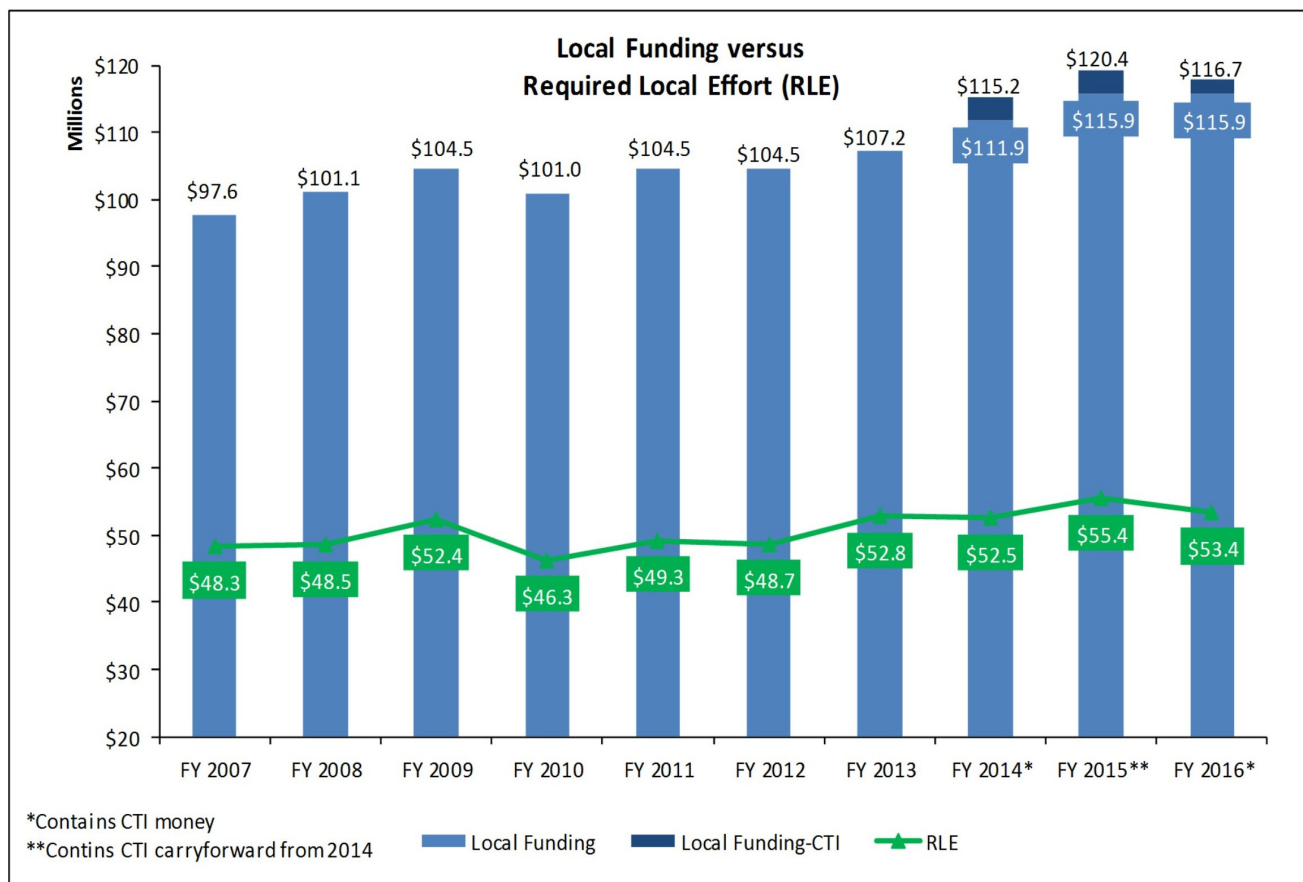


**FY 2015 support included \$3.0 million carryforward CTI as one time funding to NPS

*Includes CTI

City of Norfolk: Lifelong Learning is one of the six City Council priorities. The city provides funding for schools based on citywide needs. Identified needs by Norfolk Public Schools (NPS) are weighed against all other city needs. Even during the Great Recession as city support decreased for other priorities, city support did not wane for NPS. In comparison to the state, the city does not decrease its support when student enrollment declines. Student enrollment is projected to decline by 187 students in FY 2016, but the city support remains level. Since 2007, local support has increased by \$19.1 million or 19.6 percent while student enrollment has declined, including the Construction, Technology, and Infrastructure program (CTI).

Local Composite Index: The Local Composite Index (LCI) was formulated by the state to measure a locality's ability to fund education. The LCI is calculated using three measures of the local tax base: true real estate values (50 percent of measure); adjusted gross income (40 percent of measure); and local taxable retail sales (10 percent of measure). LCI calculations for the 2014-2016 biennium are based on 2011 data from the Virginia Department of Taxation. Each of the local tax measures are combined with two per capita components: 2012 ADM and total population provided by the Weldon Cooper Center for Public Service. Each locality's ability to pay is evaluated relative to all other localities. Norfolk's LCI for FY 2016 is 0.3123, which means that the city's Required Local Effort (RLE) for SOQ and other state programs is approximately 31 percent of the total cost of education for Norfolk. **The city consistently provides more than 100 percent of the required amount.**



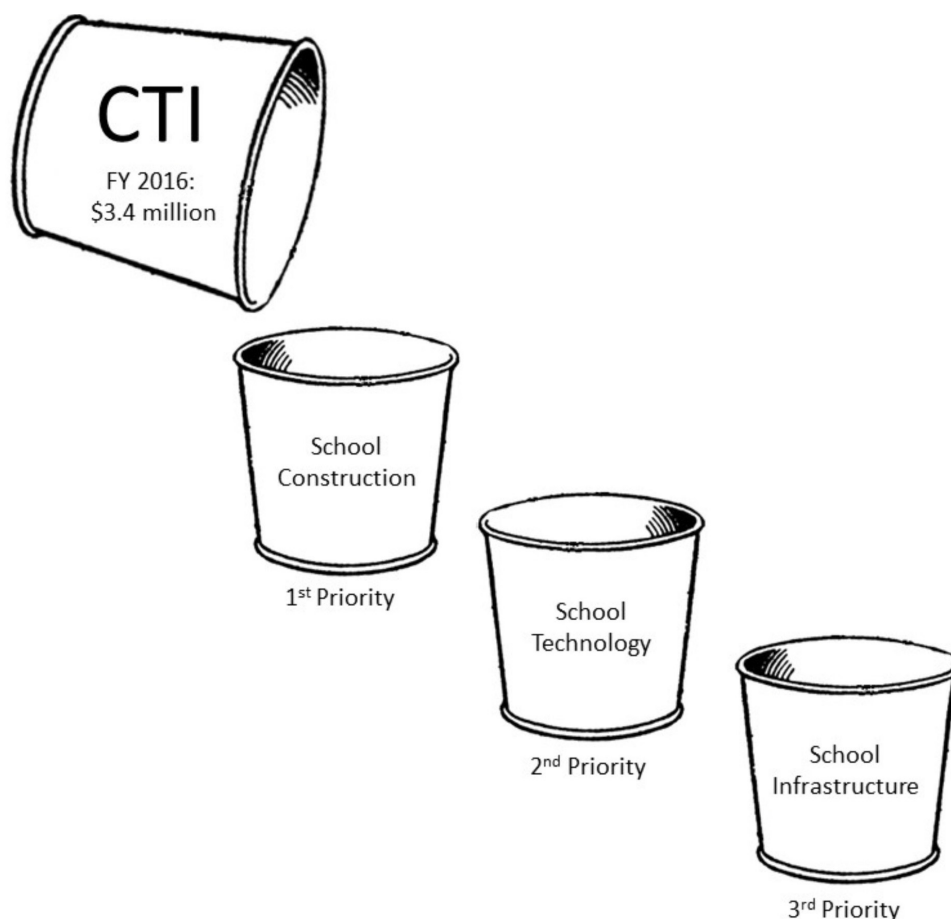
Additionally, the city provides support for NPS related to capital debt service, landscape maintenance, school resource officers, and other services valued at over \$15 million in FY 2016. The city's FY 2016 - FY 2020 Capital Improvement Plan (CIP) continues the city's commitment of building six schools for \$158 million. (Crossroads, Campostella, Broad Creek Area, Ocean View, Larchmont, and Camp Allen)

CONSTRUCTION TECHNOLOGY AND INFRASTRUCTURE

Program Overview

The Construction, Technology and Infrastructure program funds one-time capital, technology, and infrastructure improvements for the school division. The program funds (in priority order) the debt service for school construction projects, technology to enhance learning within the classroom, and infrastructure needs. A dedicated two-cent real estate tax increase from July 1, 2013, supports the CTI. The tax increase accelerates the funding for school construction projects as well as frees up capacity to address infrastructure and neighborhood capital needs citywide. All funds raised from the two-cent tax increase is used solely for this program. This funding source has the potential to grow overtime as real estate value increase.

Dedicated Funding for FY 2016: \$3,432,300



History of CTI Funding

Prior CTI Funds	\$6,724,400
FY 2016 CTI Funds	\$3,432,300
Total CTI Funds Appropriated	\$10,156,700

PERFORMANCE MEASURES

Norfolk Public Schools (NPS) FY 2016 Achievable Results (GOALS)

- NPS will implement, annually monitor, and refine the comprehensive plan for improving on-time graduation for students
- NPS will implement, annually monitor, and refine a system of support so that all schools are fully accredited as defined by the Virginia Department of Education (VDOE)
- NPS will improve the climate of support for the achievement of all students through staff, family, and community engagement

Priority: Lifelong Learning

Goal

Norfolk Public Schools (NPS) will implement, annually monitor, and refine a system of support so that all schools are fully accredited as defined by the Virginia Department of Education (VDOE)

Measure (as reported by NPS)	FY 2013 Actual	FY 2014 Actual	FY 2015 State Benchmark	FY 2016 State Benchmark
Increase division level pass rates on SOLs (Standards of Learning)				
Grade 3 Reading	63	56	75	75
Grade 3 Mathematics	50	55	70	70
Grade 3 History and Social Science	78	77	70	70
Grade 3 Science	69	70	70	70
Grade 4 Reading	58	59	75	75
Grade 4 Mathematics	59	71	70	70
Grade 5 Reading	61	62	75	75
Grade 5 Writing	60	64	75	75
Grade 5 Math	58	62	70	70
Grade 5 Virginia Studies	82	73	70	70
Grade 5 Science	64	54	70	70
Grade 6 Reading	55	57	75	75
Grade 6 Mathematics	54	61	70	70
Grade 6 History: US History I	73	69	70	70
Grade 7 Reading	52	58	75	75
Grade 7 Mathematics	28	37	70	70
Grade 7 History: US History II	65	65	70	70

Measure (as reported by NPS)	FY 2013 Actual	FY 2014 Actual	FY 2015 State Benchmark	FY 2016 State Benchmark
Grade 8 English	52	54	75	75
Grade 8 Writing	53	54	75	75
Grade 8 Mathematics	33	36	70	70
Grade 8 Civics and Economics	70	63	70	70
Grade 8 Science	43	56	70	70
End-of-Course English: Reading	83	86	75	75
End-of-Course English: Writing	81	81	75	75
End-of-Course Algebra I	70	77	70	70
End-of-Course Geometry	67	75	70	70
End-of-Course Algebra II	70	79	70	70
End-of-Course Virginia and US History	76	77	70	70
End-of-Course World History I	71	76	70	70
End-of-Course World History II	67	68	70	70
End-of-Course Earth Science	76	77	70	70
End-of-Course Biology	72	77	70	70
End-of-Course Chemistry	80	83	70	70
End-of-Course World Geography	97	97	70	70

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APPROVED FY 2016 BUDGET ACTIONS

Adjustments shown below include a combination of the School Board's Proposed FY 2016 Budget and the city's approved actions. Per the Code of Virginia, the local governing body must appropriate all funds for expenditure.

- **Provide one time funds from CTI to Norfolk Public Schools** **FY 2016: \$1,500,000**

Provide one-time funds from the Construction Technology and Infrastructure (CTI) program to NPS for technology and infrastructure needs. These funds are one-time in nature and will not be available in FY 2017. NPS should develop strategies to replace these funds or find savings.

- **Provide one-time funding to Norfolk Public Schools** **FY 2016: \$550,000**

Provide one-time funds from city sources to Norfolk Public Schools. Total funding is intended for the following uses: \$400,000 for operating support, \$100,000 equipment at the five high schools, and \$50,000 for teacher stipends. This funding is one-time in nature and will not be available in FY 2017. NPS should develop strategies to replace these funds or find savings.

- **Utilize FY 2014 funds from CTI for one-time technology purchases** **FY 2016: \$246,600**

Utilize \$246,600 in available FY 2014 Construction Technology and Infrastructure (CTI) program to NPS for one-time infrastructure or technology purchases. These funds are one-time in nature and will not be available in FY 2017. NPS should develop strategies to replace these funds or find savings.

- **Adjust support for Construction, Technology, and Infrastructure program** **FY 2016: \$43,500**

Adjust support for Construction, Technology, and Infrastructure (CTI) program based on a projected increase in real estate assessments. The total proposed FY 2016 amount for the program is \$3,432,300. The CTI supports debt service for school construction, one-time technology, and infrastructure improvements for the school division.

- **Reappropriate NPS carryforward** **FY 2016: \$4,410,913**

Reappropriate NPS FY 2014 and FY 2015 year-end balances for use in FY 2016. As a result, \$4.4 million in unexpended funds are expected to be available for use in FY 2016.

- **Update SOQ and state support** **FY 2016: \$2,002,000**

Adjust support to NPS based on amendments to the FY 2014-2016 biennial budget adopted by the General Assembly. The amendments include the following: technical updates to SOQ, incentive and lottery based programs, updates to Average Daily Membership, revisions to the employer rates for fringe benefits paid to the Virginia Retirement System (VRS) and the state's share of a 1.5 percent salary increase which begins August 2015.

- **Increase appropriation for additional federal support** **FY 2016: \$405,705**

Increase federal support for additional Medicaid reimbursement. The school division receives federal reimbursement for local funds (city dollars) spent on eligible Special Education students. School divisions can submit claims to Medicaid for the following Individualized Education Program services: physical therapy, occupational therapy, speech language pathology, nursing services, psychological services, personal care assistant services, audiology services, medical evaluation services, and transportation.

- **Adjust FY 2016 local revenue estimate** **FY 2016: (\$153,865)**

Technical adjustment based on a decline in revenue at a local level. The revenue generated include Transportation from field trips, Drivers Education, and tuition from summer school and non-residents. This adjustment is included in the School Board's Proposed FY 2016 Budget.

- **Remove one-time funding for CTI carryforward** **FY 2016: (\$3,000,000)**

Technical adjustment to remove one-time technology and infrastructure funding provided in FY 2015 for CTI carryforward. These funds were one time in nature and are not available in FY 2016. As a budget development standard practice, all prior year non-recurring revenue is removed prior to developing the following year's budget.

- **Remove one-time funding to NPS from city's undesignated fund balance** **FY 2016: (\$1,500,000)**

Technical adjustment to remove one-time funding provided to NPS in FY 2015. As a budget development standard practice, all prior year non-recurring revenue is removed prior to developing the following year's budget.

- **Remove appropriation for NPS carryforward** **FY 2016: (\$5,944,513)**

Technical adjustment to remove one-time funding provided in FY 2015 for carryforward funds for Norfolk Public Schools (NPS). As a budget development standard practice, all prior year non-recurring revenue is removed prior to developing the following years budget. This adjustment has been included in the School Board's Proposed FY 2016 Budget.

Norfolk Public Schools Total

FY 2016: (\$1,439,660)

NORFOLK PUBLIC SCHOOLS SUMMARY

The School Board issues a separate, detailed budget document which identifies grant revenues in addition to the School Operating Budget. The FY 2013 and FY 2014 Actual amounts are provided by NPS. The FY 2015 and FY 2016 amount is approved by City Council.

Revenue Summary

	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved
Operating Revenue from the City	107,186,600	111,854,400	112,471,922 ¹	112,471,922
Construction, Technology, and Infrastructure				
<i>Infrastructure and Technology to NPS</i>	0	0	0	1,500,000
<i>Debt Service</i>	0	0	3,388,800	1,932,300
Total CTI	0	3,335,000	3,388,800	3,432,300
Total ongoing support	107,186,600	115,190,000	115,860,722	115,904,222
One time support				
CTI carryforward to NPS for Infrastructure and Technology	0	0	3,000,000	246,600
One-time support	0	0	1,500,000	550,000
Subtotal one-time support	0	0	4,500,000	796,600
Total City Revenue	107,186,600	115,190,000	120,360,722	116,700,822
Revenue from Commonwealth	178,696,061 ²	179,182,243	181,890,249	183,892,249
Revenue from Federal Funds	6,509,100	6,474,260	5,245,721	5,651,426
Revenue from Other Funds	3,699,799	2,679,021	4,177,226	4,023,361
NPS Carryforward	9,478,360 ²	7,741,873	5,944,513	4,410,913
Subtotal State and Other	198,383,320	196,077,397	197,257,709	197,977,949
Total Operating Revenues	305,569,920	311,267,397	317,618,431	314,678,771
Total Grant Revenues and School Nutrition Funds	52,872,516	46,279,586	51,300,694	52,003,544
Total Revenues	358,442,436	357,546,983	368,919,125	366,682,315
Additional Services Provided³ (see next page for details)	16,094,554	16,566,061	16,511,963	15,462,783
Grand Total Support Received	374,536,990	374,113,044	385,431,088	382,145,098

¹In FY 2015 funds for school crossing guards were transferred to Norfolk Public Schools.

²Revenue from the Commonwealth and Carryforward differs from the School Board's Proposed Budget due to the city's classification of Carryforward revenue.

³Additional services exclude school construction and reflect the adjustment of school nurses from NDPH to NPS in FY 2013 and School Crossing Guards from NPD to NPS in FY 2015. These amounts are now included in Revenue from the City.

Expenditure Summary

	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved
School Operating Budget	298,593,244	303,056,986	317,618,431	314,678,771
Grants and Special Programs	36,112,417	29,079,583	32,851,397	33,855,544
Child Nutrition Services	16,722,261	16,879,066	18,449,297	18,148,000
Total Expenditures	351,427,922	349,015,635	368,919,125	366,682,315

Additional Services Provided to Norfolk Public Schools (Excluding School Construction)

	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved
Debt Service for School Construction and Major Maintenance Projects	9,720,019	9,927,106	10,050,942	9,091,763
Debt Service for School Buses	61,384	92,706	112,183	298,383
School Resource Officers	782,532	547,637	798,178	547,637
School Crossing Guards ¹	617,522	567,434	0	0
School Nurses ²	781,980	467,299	260,660	0
Facility Maintenance	1,266,259	1,266,200	1,300,000	1,300,000
Grounds Maintenance	647,390	697,679	690,000	725,000
Subtotal Other City Support	13,877,086	13,566,061	13,211,963	11,962,783
Ongoing School Maintenance	3,000,000	3,000,000	3,300,000	3,500,000
Grand Total Additional Services Provided	16,877,086	16,566,061	16,511,963	15,462,783

In addition to the direct city support given to Norfolk Public Schools, the city provides additional services listed above funded through city departments budget. Debt service for school construction and school buses are included in the city's Debt Service budget, School Resource Officers are included in the Police budget, School Nurses are in the Public Health budget, Facility Maintenance is in the General Services budget, and Grounds Maintenance is in the Recreation, Parks and Open Space budget.

¹In FY 2015, the school crossing guard program funds were transferred from Norfolk Police Department (NPD) to NPS.

²In FY 2013 approximately \$1.5 million in city funds were transferred from the Norfolk Department of Public Health (NDPH) directly to Norfolk Public Schools (NPS) for school health services. In FY 2014, an additional \$250,000 was transferred for a total of \$1.79 million.

SCHOOL OPERATING FUND

Operating Revenues

	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved
Revenue from Commonwealth				
Standards of Quality Funds				
Basic Aid	82,007,879	81,323,218	84,108,407	83,227,657
Textbook Payments	1,742,130	1,372,991	1,553,790	637,926
Vocational Education Standards of Quality (SOQ)	1,398,506	1,379,977	930,655	930,393
Gifted Education	960,168	947,447	950,887	950,619
Special Education SOQ	10,687,091	10,669,078	9,873,039	9,850,035
Prevention, Intervention and Remediation	4,967,827	4,902,009	5,786,248	5,784,620
Fringe Benefits	15,216,581	15,035,574	17,095,734	16,650,952
Remedial Summer School ¹	740,971	655,487	605,282	1,124,026
Total Standards of Quality Funds	117,721,153	116,285,781	120,904,042	119,156,228
State Sales Taxes	31,376,094	30,701,766	31,656,081	32,325,750
Lottery Funded Programs ²	25,940,251	26,504,703	27,196,672	28,455,051
Other State Funds ²	3,658,563	5,689,993	2,133,454	3,955,220
Total from Commonwealth¹	178,696,061	179,182,243	181,890,249	183,892,249
Total Federal	6,509,100	6,474,260	5,245,721	5,651,426
Total City Funds	107,186,600	115,190,000	120,360,722	116,700,822
Total Other Revenue	3,699,799	2,679,021	4,177,226	4,023,361
Total Carryforwards	9,478,360	7,741,873	5,944,513	4,410,913
Total Revenues	305,569,920	311,267,397	317,618,431	314,678,771

¹Remedial Summer School moved back to Standards of Quality funds from Lottery Funds in FY 2013.

²In FY 2013 the city recaptured Lottery Funds and Other State Funds provided by the Commonwealth that were previously classified as Grants and Special Programs to the General Fund.

Operating Expenditures

Expenditures	Positions		FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved
	FY 2015	FY 2016				
Instructional Services	3,260	3,254	228,994,272	227,761,005	243,422,938	238,829,163
Central Administration	81	80	9,897,681	8,977,875	9,565,607	8,965,321
Student Attendance and Health	64	99	5,326,023	5,773,582	7,093,933	7,678,129
Pupil Transportation	271	271	11,043,721	11,781,560	11,874,253	12,173,141
Operations/ Maintenance	401	401	31,155,467	33,537,940	33,906,446	34,241,946
Community Services	0	0	8,615	0	0	0
Facility Improvements	0	0	2,138,483	1,956,270	1,684,150	1,330,800 ¹
Information Technology	63	63	10,028,982	9,933,154	14,199,343	9,527,971
School Operating Budget	4,140	4,168	298,593,244	299,721,386	321,746,670	312,746,471
Construction Technology and Infrastructure				3,335,600	3,388,800	1,932,300
Grand Total Operating and CTI			298,593,244	303,056,986	325,135,470	314,678,771
Difference from City Revenue						0
Total Expenditures						314,678,771

¹This amount differs from the NPS Proposed FY 2016 budget. The FY 2016 NPS budget for facilities improvements includes CTI funds, which is shown in the Construction, Technology, and Infrastructure line.

SCHOOL GRANTS

Grants and Special Programs Revenue Summary

	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved
Federal Grants	32,531,463	24,614,489	27,402,676	28,573,419
Commonwealth of Virginia Grants	3,087,827	4,038,897	4,627,203	4,449,178
Corporate and Foundation Awards	252,307	159,772	300,000	300,000
Other Grants	240,820	266,425	521,518	532,947
Total Grant Revenues	36,112,417	29,079,583	32,851,397	33,855,544

Grants and Special Programs Expenditure Summary

FEDERAL GRANTS

	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved
Compensatory Programs	25,140,534	15,793,393	15,991,673	14,811,748
Special Education	4,690,302	7,465,437	7,003,953	7,297,202
Career, Technical and Adult Education	979,598	926,634	1,022,033	1,008,947
Other Projects	1,721,029	429,025	3,385,017	5,455,522
Total Federal Grants	32,531,463	24,614,489	27,402,676	28,573,419

COMMONWEALTH OF VIRGINIA GRANTS

	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved
Career, Technical and Adult Education	155,452	151,360	151,481	152,304
State Operated Facilities	2,415,223	2,955,952	3,337,673	3,269,024
Special Education	197,437	149,250	182,794	196,650
Virginia Technology Initiative ¹	168,955	416,000	416,000	391,200
Other Grants ¹	150,760	366,335	539,255	440,000
Total Commonwealth of Virginia	3,087,827	4,038,897	4,627,203	4,449,178

CORPORATE AND FOUNDATION AWARDS

	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved
Corporate and Foundation Awards	252,307	159,772	300,000	300,000
Total Corporate and Foundation Awards	252,307	159,772	300,000	300,000

OTHER GRANTS

	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved
Other Grants	240,820	266,425	521,518	532,947
Total Other Grants	240,820	266,425	521,518	532,947
Total Grants and Special Programs	36,112,417	29,079,583	32,851,397	33,855,544

CHILD NUTRITION SERVICES

Revenues	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved
Sales	1,794,577	1,507,814	2,024,807	1,685,000
Federal and State Food Program Reimbursements	13,695,846	14,269,062	15,292,420	15,123,000
Federal Commodities Donated	1,142,296	1,330,495	996,000	1,200,000
Interest Earned	19,596	16,676	15,600	16,000
Other Revenue	107,784	75,956	120,470	124,000
Total Revenues	16,760,099	17,200,003	18,449,297	18,148,000

Expenditures	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved
Cost of Goods Sold	8,856,600	9,066,536	9,880,618	9,259,907
Employee Compensation	6,835,520	7,017,687	7,400,432	7,523,593
Maintenance Costs	364,815	336,403	488,751	657,000
Supplies and Materials	97,805	73,083	125,034	90,000
Cafeteria and Other Equipment	355,284	152,067	326,940	330,000
Other Costs	212,237	233,290	227,522	287,500
Total Expenditures	16,722,261	16,879,066	18,449,297	18,148,000
Excess of Revenues Over Expenditures	37,838	320,937	0	0
Fund Balance – Beginning of Year	5,960,690	5,960,690	5,998,528	6,281,627
Fund Balance – End of Year	5,998,528	6,281,627	5,998,528	6,281,627

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